

From: Choice Community Credit Union, Kevin Roley  
Subject: Reg Z - Truth in Lending

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Comments:

August 12, 2009

Jennifer J. Johnson, Secretary  
Board of Governors  
Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington, DC 20551

RE: Docket No. R-1364

Dear Secretary Johnson:

Today I write you to express my concern with the Credit Card Accountability and Disclosure Act of 2009 (CARD Act) which has a severe impact on my employer, Choice Community Credit Union. Today Choice Community Credit Union serves the community of Guilford County, NC as well as members of certain select employee groups. Choice is a \$47 million credit union with 9,821 members and just over 4,800 loans outstanding.

Choice Community Credit Union doesn't even have a credit card portfolio, yet the CARD Act's impact to our operations and income statement is going to be quite profound. As a financial cooperative, our credit union returns profits to our members in the form of lower loan rates, higher savings rates and numerous free services. We exist solely to serve our members who will ultimately suffer because of the CARD Act.

Due to the short time frame to conform to the interim rules, we will have to do a special mailing to each of the 4,000+ affected members. The cost of this mailing will be approximately \$2,300. The 21-day notice provision will cause the credit union to incur an additional monthly cost of \$1,000+ to print and mail the notices. The combination of these direct costs will result in 2009 net income being approximately \$6,300 less than budgeted. The indirect costs of complying with the 21-day notice provision (staff time, programming costs, member issues, etc.) are even greater.

As a member-owned cooperative, we agree with the CARD Act's aim to protect consumers. However, the apparently unintentional inclusion of open-end installment contracts, home equity lines of credit and other open-end lines of credit will result in mass confusion and dissatisfaction among our membership. Currently, members are allowed to determine the frequency of repayment, with most choosing bi-weekly payments and many choosing weekly payments to coincide with their paydays. Because of the 21-day notice requirement, we will no longer be able to make these options contractually available to our members.

On behalf of Choice's management, staff and members I respectfully implore you to, at a minimum, delay the August 20th compliance date for the interim rules for credit unions. Additionally we ask you to clarify, prior to final implementation, the "open end lending" portion of the CARD Act so that it does

not unintentionally impact other forms of "open end lending."

Regards,

Kevin Roley  
Choice Community Credit Union